



December 10, 2024

REPORT ON THE 2025 OPERATING BUDGET

Dear Fellow Citizens,

In accordance with section 474 of the *Cities and Towns Act* and on behalf of Town Council, I am pleased to submit to you Town of Mount Royal's Report on the 2025 Operating Budget.

This year, the municipal administration is announcing a property tax increase of 2.52% for all taxpayers. This considered decision reflects our desire to maintain quality services while also addressing the challenges of environmental imperatives and a difficult economy.

The 2025 operating budget totals \$136.1 million, a 4.61% increase from the preceding year. However, in view of the major projects currently underway, we focused our budgeting efforts mainly on day-to-day management of operations without introducing any new programs but keeping Townies at the centre of our priorities.

Budget priorities

First, it should be noted that the administrative, management and financing expenses associated with major projects, such as the construction of the Sports and Community Centre and the new 30/40 Roosevelt building, are included in the operating budget. Though technically part of our triennial capital expenditures program, these major projects also have an impact on the operating budget.

The priorities for the 2025 operating budget are to:

- Improve the Town's drainage system by working on various alternatives available to the municipality and solutions for upgrading existing systems to counteract the problem of flooding during torrential rains.
- Continue and adopt the special planning program (PPU) for the Beaumont sector, one that will improve residents' quality of life. The plan will define a strategic vision and clear objectives for the harmonious development of the sector.
- Create a bike path network covering the entire Town, with a focus on improved integration and the greening of the Bates and Plymouth sectors.
- Review and update the zoning by-law so it better reflects current urban issues, anticipates future needs and aligns with the best practices in urban planning and development.

- Continue the efforts to guarantee road safety, accessibility and traffic flow. Implement innovative solutions for reducing traffic speed and controlling transit journeys.
- Implement an asset management plan and a strategy to maintain infrastructures in good condition and deliver sustainable services to citizens.
- Study the possibility of introducing paid parking in Town centre to diversify the Town's sources of income.

Growth of the 2025 operating budget

The 2025 operating budget totals \$136.1 million, up 4.61% from the 2024 budget. The increase is primarily due to growth in the costs for existing commitments and operational priorities.

Specifically, the following factors contributed to the increase:

- Local expenditures rose \$3.7 million or 6.35%, a change mainly attributable to:
 - ✓ an increase in payroll, mandatory employer costs and employee benefits
 - ✓ an inflation-driven increase in the costs for external contracts
 - ✓ expenses related to the inspection and cleaning of Agglomération water and sewer lines. This expense is offset by an equivalent income from a third party
- A total increase of \$2.3 million (3.24%) in the aliquot share paid to the Agglomération de Montréal for general expenditures, water purchases, water service, first responder services, the arterial road system debt, funding investments eligible for grants, financing the deficits from previous fiscal years and the contribution for expenditures related to downtown Montreal.

Property taxes, compensation in lieu of taxes and water billing, which remain our main sources of revenue, for a total of \$114.9 million or 87% of overall revenue.

Additional revenue of \$0.5 million is budgeted due to the special contribution to the Royalmount Pedestrian Walkway reserve fund. This contribution is applicable to all taxable buildings located in a sector determined by the Town, namely the Royalmount district.

For their part, revenue from local sources is budgeted at \$13.2 million or 10% of total revenue. The 2025 budget forecasts for this revenue are down from those of 2024. The decrease is attributable to:

- ✓ A forecast reduction in revenue from the issuing of construction permits
- ✓ A stabilizing in real estate transactions, leading to a conservative forecast of transfer revenue
- ✓ Lower interest rates
- ✓ A decrease in revenue from recreational activity programs, mainly due to the closing of the Pierre Laporte pool.

The budget forecasts also show \$1.2 million in revenue corresponding to revenues from services delegated by the Agglomération de Montréal. The change is significant compared with the 2024 budget and is due to the entry, for 2025, of the amount of \$1,167,000 provided as a reimbursement from the

Agglomération de Montréal to Town of Mount Royal for expenses incurred by the municipality to clean Agglomération water and sewer lines.

Revenue from government transfers totals \$2.5 million or 1.9% of total revenue.

Lastly, to reduce the financial impact of the budget increases on residents' tax bills, Council has decided to use \$3.6 million of the accumulated surplus to fund local expenditures and cover the increase in the aliquot share paid to the Agglomération de Montréal.

In conclusion, Town of Mount Royal's 2025 operating budget is proof of a commitment to maintaining a balance between responding to the community's growing needs and responsibly managing public funds. Although the increase in tax bills and municipal spending reflects current economic challenges, these adjustments are aimed at supporting essential improvements to urban and environmental infrastructures and advancing strategies for security, mobility, urban development and maintaining citizens' quality of life. What's more, prudent measures, such as drawing on the accumulated surplus, will help lessen the impact of the budget increases on taxpayers.

In short, this budget is not limited to addressing short-term needs but is part of a broader visionary approach focused on modernity, sustainability, residents' well-being and adapting to changing socio-economic and environmental needs while also preserving the essence and aspirations of the Mount Royal community.

Peter J. Malouf
Mayor